



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Shiloh Forestry

File: B-230582

Date: June 21, 1988

DIGEST

Contracting agency's cancellation of solicitation for reforestation was proper where the solicitation's provisions did not clearly set forth agency's needs and the record discloses no bad faith or fraud on part of the contracting agency in making its determination.

DECISION

Shiloh Forestry protests the rejection of its proposal and the cancellation of request for proposals (RFP) No. R6-87-446 issued by the Forest Service for a 5-year reforestation stewardship in Fremont National Forest. The Forest Service rejected Shiloh's proposal because it determined that Shiloh's price was unreasonable. We deny the protest.

The solicitation, issued October 5, 1987, was for a 5-year stewardship with the objective of planting and maintaining 200 trees per acre throughout the stewardship by 1991. Offerors were required to submit technical and price proposals for site preparation, tree planting and replanting, protection, vegetation management and related services on the 254 acres in the stewardship.

Shiloh became the sole offeror after the only other offer received was determined to be technically unacceptable. By letter dated January 5, 1988, the Forest Service advised Shiloh that its proposal, among other things, did not include any costs for protecting the newly planted trees from deer. Accordingly, Shiloh proposed to protect 200 acres and increased its proposal price by \$66,700 to bring its total offer to \$173,324.52.

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The agency initially requested that Shiloh provide a cost breakdown of the increase, but subsequently decided before receiving this information to cancel the solicitation. By letter dated February 11, Shiloh was advised that the solicitation was canceled because the RFP specifications were not adequate to achieve the agency's objectives. Attached to this notice was a determination by the contracting officer that Shiloh's revised total price was too high and a recommendation that the requirement be resolicited using separate solicitations for animal damage control and the actual replanting.

The protester, in general, maintains that its price for the services was reasonable and in line with any realistic cost estimate and that there was no justification for canceling the solicitation without conducting further negotiations. Shiloh's protest centers around its contention that the agency's estimate for deer control costs of \$28,948 underestimates the costs of the materials and yearly maintenance. It argues the estimated unit price for materials should be doubled and the estimated unit price for yearly maintenance should be tripled since the Forest Service estimate allegedly reflects only a one time treatment program yet the agency concedes that maintenance should continue over 3 years.

The Forest Service argues that cancellation was proper because Shiloh's revised price of \$173,324.52 or \$682.38 per acre for all the services unreasonably exceeded the government's revised estimate of \$141,886.80. It appears that a significant factor in the agency's decision was a dispute between the offeror and the agency as to exactly how many acres needed deer control. Shiloh proposed \$66,700 for 200 acres, while the Forest Service created two cost estimates for such services; the upper limit being \$28,948 for 153 acres and the lower limit was \$18,460 for 88 acres. The solicitation does not specify the amount of acreage in need of deer control.

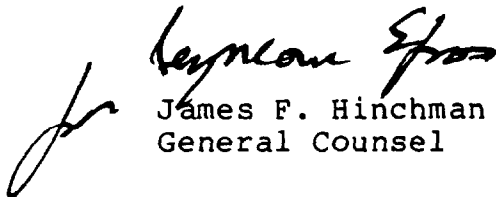
In a negotiated procurement such as this, the contracting officer has broad discretion in deciding whether to cancel a solicitation. The contracting officer need only have a reasonable basis to do so, as opposed to the cogent and compelling reason required for cancellation of a solicitation after sealed bids have been opened. Union Natural Gas Co., B-225519.4, June 5, 1987, 87-1 CPD ¶ 572. In this regard, we have recognized that a solicitation properly may be canceled where the solicitation is deficient in such a way as to restrict competition or does not set forth a basis for evaluating offers. Id. We have also held that a determination of price unreasonableness provides a basis for

cancellation. Flagg Integrated System Technology, B-214153, Aug. 24, 1984, 84-2 CPD ¶ 221. Our Office will not question a contracting officer's determination of price reasonableness unless it is unsupported or there is a showing of bad faith or fraud by the contracting officials. Id.

It is clear, as Shiloh argues, that the Forest Service's various estimates of the cost of deer control are difficult to justify and indicate that the agency may well have been uncertain as to the exact level and method of deer control needed. This is evidenced by the failure of the solicitation to specify the extent of deer control that was required. Further, it appears from the record that in fact the Forest Service has severed the requirements and included the planting in an existing 8(a) contract and plans to contract separately for animal control.

While it is unfortunate that Shiloh did undergo the expense of submitting a proposal under the solicitation it is evident from the record that the Forest Service had not clearly set forth its needs for deer control in the solicitation. Considering the broad standard for canceling a negotiated solicitation, we have no basis to conclude that the agency acted in bad faith or that the cancellation was improper.

The protest is denied.


James F. Hinchman
General Counsel